UNITED
NATIONS

DP

Executive Board of
the United Nations
Development Programme
and of the United Nations
Population Fund

Distr.
GENERAL

DP/1994/61
19 August 1994

ORIGINAL: ENGLISH

Third regular session 1994
October 1994, New York
Item 8 of the provisional agenda

OFFICE FOR PROJECT SERVICES

The precise role and functions of the UNOPS Management Coordination Committee

Report of the Administrator

I. PURPOSE

1. The present report is submitted to the Executive Board, in response to paragraph 6 of its decision 94/12. It has been prepared with the support of the Executive Director of the Office for Project Services, and in consultation with the Under-Secretary-General for Administration and Management and the Under-Secretary-General for Development Support and Management Support Services. It reflects the consensus views of all parties concerned. The report lists: the basic principles under which the Management Coordination Committee (MCC) will operate; the composition of the MCC in accordance with paragraph 7 of decision 94/12; the main functions of the MCC; and the frequency of regular MCC meetings. The Executive Board is invited to consider the report in conjunction with the report of the Executive Director of OPS on ways of establishing OPS as a separate and identifiable entity (DP/1994/62), in which reference is made to the functions and responsibilities of the MCC, as and where appropriate.

II. ESTABLISHMENT

2. The Secretary-General has proposed the establishment of a Management Coordination Committee (MCC) for the Office for Project Services (OPS). It will be recalled that the Executive Board, in paragraph 6 of its decision 94/12 agreed in principle to this proposal.

III. BASIC PRINCIPLES

3. The objective of the MCC is to maintain and strengthen the functioning of the United Nations Office for Project Services (UNOPS) as a self-financing entity working in a business-like manner. In carrying out its functions specified below towards this objective, the MCC shall provide policy and management direction in the functioning of UNOPS, including the setting of operational policy, facilitation and monitoring of compliance. The work of the MCC shall ensure enhanced transparency of UNOPS operations.

IV. COMPOSITION

4. The MCC is composed of the Administrator of UNDP, the Under-Secretary-General of the Department for Administration and Management (DAM) and the Under-Secretary-General for the Department of Development Support and Management Services (DDSMS). The Administrator is the Chairman of the MCC. The Executive Director of UNOPS is the Secretary of the MCC.

V. FUNCTIONS

5. The functions of the MCC include:

(a) Providing guidance to UNOPS in developing its strategy and business plan, and ensuring that UNOPS provides on a self-financing basis: implementation services for programmes and projects, management and other support services; and loan administration;

(b) Ensuring the appropriateness of the legal framework in line with the self-financing principle and the resultant requirement for UNOPS to work in a business-like manner;

(c) Reviewing the operational policies of OPS and approving any changes thereto in order to enable it to carry out its role within the legislative framework provided by the General Assembly and the Executive Board;

(d) Reviewing and authorizing, for submission to the appropriate approving authorities, the annual programme and budget of UNOPS and related documentation;

(e) Ensuring the responsiveness of UNOPS to users of its services. In carrying out this function, the MCC also ensures that UNOPS gives due consideration to recommendations emanating from the UNOPS Users Advisory Group;

(f) Guiding the relations of UNOPS with United Nations departments, UNDP and its country offices, and other United Nations agencies and organizations;

(g) Reviewing and evaluating UNOPS performance and effectiveness;

(h) Ensuring that adequate administrative support services are available to UNOPS on a cost-effective basis.

VI. MCC MEETINGS

6. The MCC will hold regular meetings four times per year. The Chairman may call for extraordinary meetings should this be required. MCC meetings will normally be held at UNOPS headquarters.

VII. EXECUTIVE BOARD ACTION

7. The Executive Board may wish to

1. Endorse the establishment of the Management Coordination Committee, as proposed by the Secretary-General and pursuant to paragraphs 6 and 7 of Board decision 94/12;

2. Welcome the role and functions of the Management Coordination Committee, as outlined in the report of the Administrator (DP/1994/61), thereby establishing a proper oversight mechanism that will enable the Secretary-General to evaluate the responsiveness, performance and effectiveness of the new Office for Project Services.

UNITED NATIONS

DP

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.
GENERAL

DP/1994/62
16 August 1994

ORIGINAL: ENGLISH

Third regular session 1994
October 1994, New York
Item 8 of the provisional agenda

OFFICE FOR PROJECT SERVICES

REPORT OF THE EXECUTIVE DIRECTOR OF THE OFFICE FOR PROJECT SERVICES ON WAYS OF ESTABLISHING THE OFFICE AS A SEPARATE AND IDENTIFIABLE ENTITY

CONTENTS

		Paragraphs	Page
I.	BACKGROUND AND PURPOSE	1 - 2	2
II.	ROLE OF UNOPS	3 - 8	2
III.	STRUCTURE AND MANAGEMENT MECHANISMS	9 - 15	5
IV.	OPERATIONAL MODALITIES	16 - 71	6
	A. Finance and procurement	17 - 47	6
	B. Personnel	48 - 71	11
V.	EXECUTIVE BOARD ACTION	72	14

I. BACKGROUND AND PURPOSE

1. The present report, which has been prepared pursuant to Executive Board decision 94/12, and further to the report of the Secretary-General on the Office for Project Services (DP/1994/52), proposes modalities for establishing OPS as a separate and identifiable entity.

2. In order to distinguish between the current OPS operating from within UNDP and the "new" OPS, the report refers to the latter as the United Nations Office for Project Services (UNOPS). It is proposed that as of 1 January 1995, UNOPS shall be based on the following principles:

(a) It shall be a separate and identifiable entity under the overall policy guidance and supervision of the UNDP Executive Board, operating transparently in partnership with UNDP and other operational entities;

(b) It shall be headed by an Assistant Secretary-General/Executive Director reporting to the Secretary-General and to the Executive Board through a Management Coordination Committee;

(c) It shall undertake implementation activities for UNDP, other United Nations operational entities, and others who wish to utilize its services, and who may participate in a users advisory group;

(d) It shall employ operational modalities that enhance its effectiveness, responsiveness to the needs of its clients, and ability to operate in a business-like manner and on a self-financing basis;

(e) It shall continue to utilize and endeavour to increase the use of recognized technical expertise readily available in United Nations system entities;

(f) It shall continue to work at country level through the UNDP field network; and

(g) It shall, to avoid the establishment of a new and separate administrative apparatus, rely on administrative support provided by UNDP as a reimbursable service.

II. ROLE OF UNOPS

3. OPS has been recognized both by the Executive Board and by the Governing Council, which have regularly examined the role of the Office during its 20 years of project implementation, and by its clients, from whom demand has increased consistently, as a flexible, innovative, and effective instrument for the provision of services to developing countries that complements the capacities found elsewhere in the United Nations system. During this time, OPS has developed a distinctive management culture whose characteristics will be passed on to UNOPS:

(a) Added value. This value is rooted in UNOPS managerial know-how in areas such as multisectoral projects, reconstruction and rehabilitation; in its cost-effectiveness and innovativeness in project implementation; in its links to the private sector and experience in contracting; and in its administrative skills and speed;

(b) Quality. Whether involved in a single administrative action or in the management of a complex project, UNOPS will strive to marshal the most competent and state-of-the-art inputs appropriate to produce the stipulated project outputs;

(c) Transfer of expertise. In the context of the overall effort of the United Nations to strengthen national capacity, UNOPS will seek to assist in the development of management and implementation capacity in local institutions. This transfer of know-how will be supported through UNOPS implementation of components built into individual programmes/projects, through specially designed projects that aim to build local capacities, and through decentralization strategy of UNOPS itself, which will place project managers and implementation specialists in much closer operational contact with local institutions and staff.

UNOPS services

4. UNOPS is a demand-driven, client-oriented entity that provides a variety of services:

(a) Comprehensive project management, including contracting for technical expertise and backstopping;

(b) Implementation of components of projects under execution by other organizations of the United Nations system or by national institutions;

(c) Project supervision and loan administration on behalf of international financial institutions; and

(d) Management services for multilateral, bilateral, and beneficiary-financed projects.

5. UNOPS provides services in the context of:

(a) Interdisciplinary and multipurpose programmes/projects;

(b) Programmes/projects that do not fall within the competence of any individual United Nations specialized agency; and

(c) Individual programmes/projects that emphasize general management and direction.

Unlike specialized agencies, which possess institutional technical competence, UNOPS functions as a management contractor on behalf of the client, setting in motion and managing the project actors and the needed inputs of expertise and equipment.

6. UNOPS provides programme/project inputs of the following types:

(a) Recruitment and administration of project personnel;

(b) Procurement of equipment, supplies and commodities;

(c) Management of training activities and fellowships; and

(d) Contracting of consulting firms and contractors for services and works.

7. To respond to the needs of a broader range of clients, UNOPS expects to develop service offerings that improve its partnership with other entities of the United Nations system, most notably the specialized agencies.

The UNOPS clientele

8. The UNOPS clientele shall include:

(a) Recipient Governments, as beneficiaries of international development cooperation;

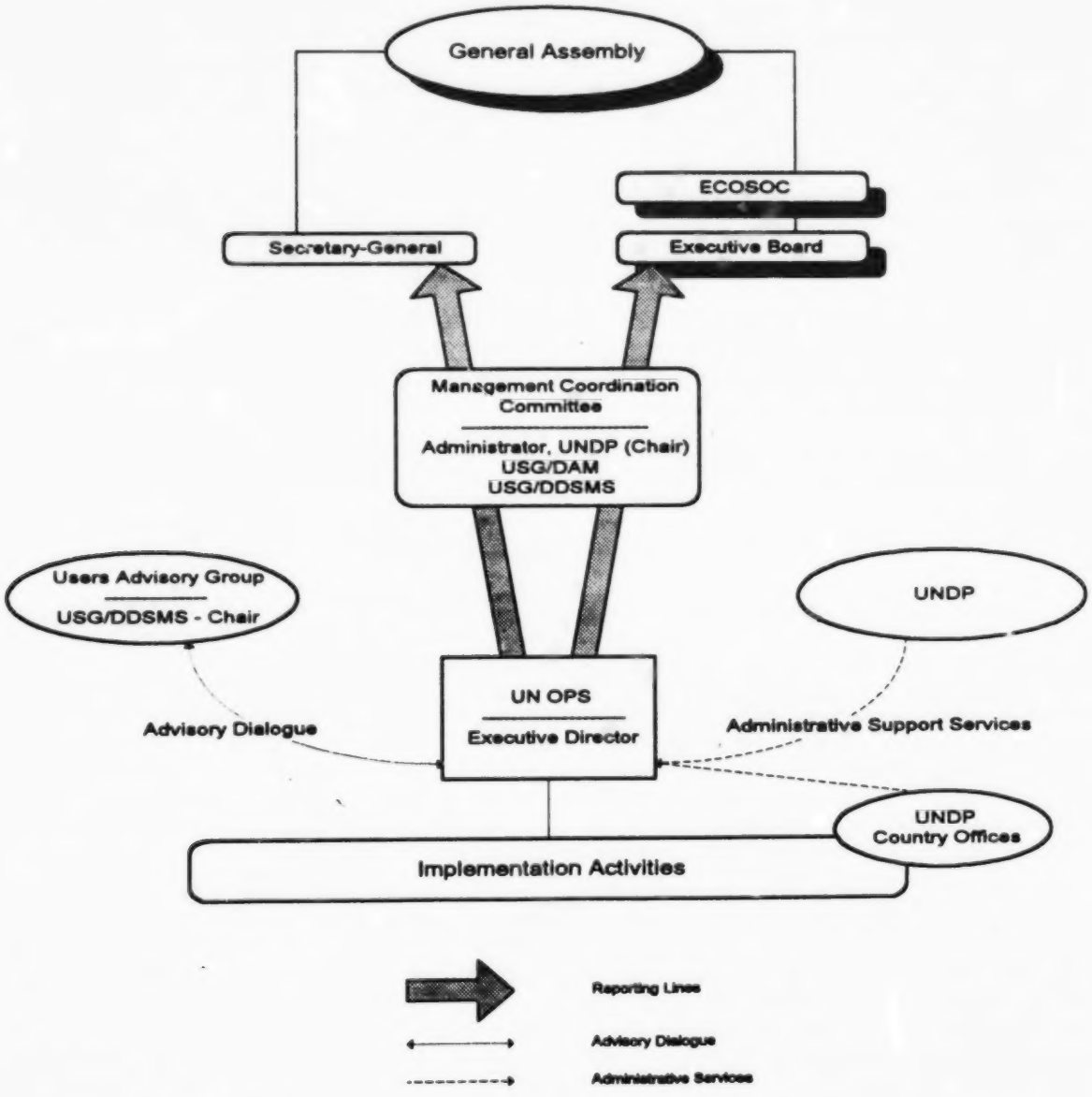
(b) Funding sources, including, but not limited to: UNDP (and the funds that it administers or acts as trustee), the United Nations International Drug Control Programme (UNDCP), the International Fund for Agricultural Development (IFAD), international financial institutions, and bilateral donors;

(c) Other organizations that are or become part of the United Nations system; and

(d) Governmental, intergovernmental, and non-governmental organizations (NGOs)/entities not part of the United Nations system.

III. STRUCTURE AND MANAGEMENT MECHANISMS

9. The chart below portrays UNOPS and its relationship with the entities involved in governing, servicing, and advising it. Overviews of each entity's role are found in the paragraphs following.



10. The Executive Board is the intergovernmental governing body that provides overall policy guidance for and supervision of UNOPS. As and when appropriate, the Board obtains approvals or endorsements of its decisions from other United Nations bodies, including the General Assembly, its Committees, and the Economic and Social Council.

11. The Secretary-General provides oversight and guidance, as required, to ensure the implementation of the decisions of the Executive Board. As Chairman of the Administrative Committee on Coordination (ACC), he will also facilitate coordination between UNOPS and United Nations system organizations.

12. The Management Coordination Committee (MCC) assists the Secretary-General in the exercise of his responsibilities. The role and functions of MCC are contained in the report of the Administrator (DP/1994/61).

13. The Executive Director, under the authority of the Secretary-General, is responsible for the management of UNOPS. The Executive Director reports to the Secretary-General and to the Executive Board through MCC, and represents UNOPS at meetings of the Executive Board.

14. The Users Advisory Group (UAG) ensures that UNOPS is fully aware of the concerns of United Nations organizations and others who utilize its services and makes appropriate recommendations to the Executive Director. The UAG terms of reference are contained in addendum 1 to the present document.

15. UNDP, both headquarters and country offices, continues as an important partner of UNOPS and as a provider of administrative support services.

IV. OPERATIONAL MODALITIES

16. UNOPS will be established, effective 1 January 1995, operating under the legal framework of the UNDP basic assistance agreements with Governments, as well as the Convention on the Privileges and Immunities of the United Nations, with the capacity to enter into contracts, institute legal proceedings, and acquire and dispose of movable and immovable property. The financial and personnel modalities of UNOPS proposed hereunder have been developed respecting the principles elaborated in paragraph 2 above.

A. Finance and procurement

17. The financial regime governing the activities of UNOPS shall be based on the Financial Regulations and Rules of UNDP, as amended through a new annex thereto, which shall be approved by the Executive Board. In paragraph 10 (c) of its decision 94/12, the Board calls for proposals regarding "any necessary revision of the financial and procurement rules of the United Nations Development Programme as they apply to the Office for Project Services ...". The joint UNDP-OPS working group on this subject recognized that establishment of UNOPS as a separate and identifiable entity cannot be accomplished without some changes also to Regulations relevant to the operational activities of

UNOPS. The draft of the annex, incorporating the necessary changes, is provided in addendum 2 to the present document.

18. The proposed annex is concurrently being provided to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and to the Office of Legal Affairs for their substantive review and endorsement with regard to conformity with decision 94/12, compatibility with the United Nations legal framework within which UNOPS is to operate, and proper drafting. Should the review confirm that no substantial changes are required, it is requested that the Executive Board authorize the application of the proposed Regulations and Rules, as contained in addendum 2 to the present document, until it promulgates a final text. Paragraphs 19 to 46 highlight the normative principles underlying such an annex to the Financial Regulations and Rules of UNDP.

UNOPS activities

19. The proposed new Article VIII of the Financial Regulations applicable to UNOPS provides that UNOPS activities shall be founded on the self-financing principle. Appropriate arrangements will be made under which UNDP will provide administrative services in support of UNOPS activities.

Accountability

20. UNOPS activities shall be considered separate and distinct from UNDP activities, and shall be reported as such. Consequently, the Executive Director, through MCC, and in accordance with delegated authority, shall be fully responsible and accountable to the Executive Board for all phases and aspects of UNOPS activities.

21. Authority and corresponding responsibility shall be delegated to the Executive Director.

Applicability

22. As the UNDP Regulations and Rules provide the basis for the financial regime governing UNOPS activities, any proposed future modifications thereto will have to include a review of what impact, if any, such changes will have on the proposed UNOPS annex.

23. The Executive Director may propose to MCC amendments to the Financial Rules applicable to UNOPS. Such amendments will be promulgated in accordance with the Financial Regulations and Rules, including the existing procedure, which requires that advance notice of thirty days be given to the Executive Board.

Central services

24. The Executive Director is responsible for the management of UNOPS. Central services to be performed by UNDP on behalf of UNOPS shall include, inter alia, finance (budget, accounts, treasury), personnel and audit services. Costs associated with the provision of those services shall be subject to such periodic review and adjustment as may be appropriate.

25. Any authority required by UNDP to perform the agreed services shall be entrusted to UNDP by the Executive Director.

26. Services currently rendered by the United Nations in the areas of legal, payroll, security and medical services, etc., which are billed to UNDP shall be reimbursed by UNOPS to UNDP on a pro rata basis.

27. For the current biennium, UNOPS shall budget for reimbursement to UNDP the equivalent of 14 per cent of its "net" administrative expenditures, i.e., expenditures excluding amounts reimbursed for central services.

UNOPS accounts

28. UNOPS shall have its own set of accounts (General Ledger, Administrative Budget, and Programme Expenditures) and shall utilize UNDP administrative and financial systems for the recording of its transactions.

29. The unspent income that has accrued to UNOPS through 31 December 1994 shall be transferred to the UNOPS Account in its entirety. As of 31 December 1993, this amount totalled $9.2 million.

30. UNOPS shall no longer distinguish between and report separately on "budgetary" and "extrabudgetary" income and expenditure, as these terms are relevant for UNDP only. UNOPS shall have only income and expenditure with no further distinction.

31. Vouchers for the recording of UNOPS financial transactions shall be prepared by UNOPS staff and shall be certified and approved by UNOPS officials designated by the Executive Director. The list of these officials shall be provided to the UNDP Division of Finance and updated as necessary.

32. The financial statements of UNOPS shall be prepared by UNOPS and certified by the Executive Director. UNOPS financial statements shall be presented to the Executive Board separately from those of UNDP and shall contain reports on the results of all UNOPS financial activities in a comprehensive and transparent manner.

Reserve

33. UNOPS shall establish a Reserve funded from the unspent income transferred to the UNOPS account, at a level to be set by the Executive Board. The purpose of the Reserve is to cover potential liabilities such as those associated with UNOPS personnel contracts financed from the UNOPS account, shortfalls in income or in cash flow, and project-related professional and contractual liabilities. UNOPS needs to obtain further information regarding the risks and liabilities related to its new status from which to make sound financial recommendations to the Executive Board. Consequently, UNOPS undertakes to:

(a) Review and quantify risks and liabilities to which the new entity may be susceptible, on the basis of which a recommendation will be made to the Executive Board on the requisite level of the Reserve;

(b) Set aside, until such time as the Reserve has been formally established, the sum of $5 million to serve as a de facto reserve.

34. In the event that the UNOPS Reserve should require replenishment and/or increased funding, funds will be derived from unspent income.

35. Accumulated unspent income over and above that required for the Reserve shall be available for utilization within the normal budget proposal and approval process.

Budget

36. UNOPS shall finance its administrative expenditures entirely with the income it earns.

37. In future bienniums, the Executive Director shall prepare and submit the UNOPS administrative budget estimates, via MCC, to ACABQ for review and to the UNDP Executive Board for approval. The first revision of the OPS 1994-1995 budget estimates is, however, still presented as part of the UNDP revised budget estimates for the biennium 1994-1995 (DP/1994/35). Addendum 3 to the present report provides a breakdown of the revised estimates for information only.

38. The Executive Director shall have the authority to incur unforeseen personnel and related administrative expenditures against unspent and/or projected income, subject to post facto approval of such actions by the Executive Board. The Executive Director shall develop and put in place internal procedures that ensure prudent and judicious application of this authority.

Audit and internal oversight

39. Internal audit services shall continue to be provided by the UNDP Division for Audit and Management Review (DAMR). UNOPS and UNDP shall jointly review the nature and level of services required of DAMR and the associated costs, including UNOPS utilization of audit arrangements already established within the framework of the regional service centres. Reports issued by DAMR shall be addressed to the Executive Director with copies to the MCC.

40. External audit arrangements applicable to UNDP shall also apply to UNOPS, with the proviso that a separate report shall be issued for UNOPS.

41. To respond further to the concern of the Executive Board and that of UNOPS itself to improve auditing, as well as to respond to the need for better monitoring and quality control that stem, inter alia, from UNOPS decentralization plans, the Executive Director shall, in consultation with DAMR, develop and put in place stronger measures of internal oversight. Among the expected results of these measures are improved follow-up and response to internal and external audit reports.

Procurement regime, including establishment of a separate contracts committee

42. Modifications to the Financial Regulations and Rules are proposed to identify responsible parties for UNOPS procurement activities, to reflect UNOPS business practices, and to take into account recent comments and observations of the External Auditors. Various procurement rules are modified, including those relating to procurement functions of UNOPS, general procurement principles, use of invitations to bid and requests for proposals, contracts committee, contract awards, and negotiated contracts.

43. The UNOPS Procurement Review and Advisory Committee (PRAC) shall be established. Its function is to render written advice to the Executive Director (serving as Chief Procurement Officer for UNOPS) on procurement actions against the UNOPS administrative and project budgets. At present no changes are foreseen to the threshold levels for submissions to the PRAC as established by UNDP.

44. The terms of reference for PRAC shall be determined by the Executive Director, drawing upon the terms of reference of the UNDP Contracts Committee and the Advisory Group on Management and Other Support Services (AGMOSS) (both of which it is succeeding), External Auditors' observations, and UNOPS business requirements.

45. Membership of PRAC shall include staff of UNOPS, UNDP, the United Nations Secretariat, and other United Nations organizations, or individuals from the private sector, as appropriate. Specialists may be invited on an ad hoc basis to provide advice when their expertise is considered necessary. PRAC shall meet regularly on UNOPS premises.

46. UNOPS shall avail itself of existing local contracts committees at UNDP country offices, or, exceptionally, establish separate local contracts committees whenever difficult access precludes the use of the country office committee, and such a committee can be constituted based on locally available United Nations system staff.

Information systems

47. UNOPS is unable to assess at the present time the full implications of the anticipated conversion of existing UNDP systems to the computer hardware/software platform provided by the Integrated Management Information System (IMIS). While UNOPS recognizes the potential advantages of utilizing systems already in use or in an advanced stage of development by UNDP, it will also look to ensure that those systems incorporate all UNOPS needs and functionalities. Consequently, UNOPS intends to participate actively in the further development of UNDP information systems, including IMIS, and to continue to assess their impact and implications.

B. Personnel

48. The joint UNDP-OPS working group on personnel matters, concentrating on personnel financed from the administrative budget, focused on the following issues:

(a) Ensuring that, as of 1 January 1995, the necessary policy and procedural framework is in place to enable UNOPS to manage and administer its human resources, with no disruption and without requiring an additional administrative apparatus;

(b) Ensuring the preservation of the contractual status, acquired rights, and entitlements of all current staff holding UNDP letters of appointment;

(c) Defining the recruitment policies and administration arrangements that will be applied to all UNOPS personnel hired after 1 January 1995;

(d) Identifying further measures in the personnel area, for subsequent formulation, that will enhance UNOPS ability to be effective and business-like.

49. Effective 1 January 1995, UNOPS is proposing a staffing table consisting of 241 posts: 91 Professional and 150 General Service. As of 1 July 1994, OPS staff includes 200 holders of unrestricted UNDP letters of appointment, and 15 with appointments restricted to service with OPS.

Authority and accountability

50. Authority in all personnel matters, with corresponding accountability, except for that retained by the Secretary-General, or, with respect to current staff holding UNDP letters of appointment, by the UNDP Administrator, shall be vested in the Executive Director through appropriate delegation of authority from the Administrator upon request by the Secretary-General. In line with this delegation, the Executive Director shall establish procedures and create such management tools as may be required to discharge his responsibility, and to ensure the cost-effective and business-like operation of UNOPS, mindful of the need to maintain the best possible working conditions for UNOPS staff.

51. The Secretary-General shall retain authority to appoint the Executive Director and staff at the D-2 level.

52. The Executive Director shall have the authority to establish, relocate, freeze and abolish posts up to and including the P-5 level. Establishment of such posts shall be subject to the projected availability of funds, and will be reported on a post facto basis to the Executive Board through MCC. Approval for the establishment of posts at the D-1 level and above shall be requested from the Executive Board via MCC.

Personnel administration arrangements applicable to all UNOPS personnel financed from the administrative budget

53. The UNOPS personnel regime shall be based on the Staff Regulations and Rules of the United Nations, within the overall framework of the United Nations common system. It shall be administered by UNDP in accordance, initially, with its policies, procedures and established practices as previously adapted for UNFPA.

54. The central services agreement specified in Financial Rule 108.3 (see para. 24 above) shall stipulate the tasks to be performed by UNDP with regard to the administration of UNOPS staff.

55. Any authority required by UNDP to perform the agreed services shall be entrusted to UNDP by the Executive Director.

56. A UNDP/UNOPS Appointment and Promotion Board and an Appointment and Promotion Panel shall advise the Executive Director with respect to appointments and promotions of UNOPS staff.

57. UNOPS shall make such modifications to the UNDP performance appraisal review (PAR) system as are required to meet its needs. The modified system shall apply to staff limited to service with UNOPS; the UNDP PAR shall continue to apply to staff members with unrestricted UNDP letters of appointment.

58. UNDP shall issue, on behalf of UNOPS, letters of appointment for new staff. Offers of appointment and letters of appointment shall stipulate the limitation of service to UNOPS and shall explicitly inform the candidate that appointment is of a fixed-term nature, not carrying expectancy of conversion to any other type of appointment.

59. All UNOPS staff shall be eligible for United Nations and UNDP training courses and for the Educational Assistance Programme of UNDP and shall have access to the UNDP Programme for Staff Assistance. UNOPS shall reimburse the United Nations or UNDP, as appropriate, on a pro rata basis for the respective services.

60. It is envisaged that the UNDP/UNFPA Staff Council shall include representation from UNOPS and shall therefore be renamed the UNDP/UNFPA/UNOPS Staff Council.

Considerations regarding current staff

61. Staff serving with OPS as of 31 December 1994 and holding UNDP letters of appointment shall continue to be governed by the terms of appointment and conditions of service specified in their letters of appointment. Their acquired rights and eligibility for reassignment within UNDP shall not be affected and UNDP shall ensure that such staff will not be disadvantaged in any way as a result of their assignment to UNOPS. Professional and General Service staff holding such appointments shall be considered internal candidates for vacancies in UNDP. The United Nations has also been requested to consider such General Service staff as internal candidates for vacancies in the United Nations.

62. Staff serving with OPS as of 31 December 1994 and holding UNDP letters of appointment restricted to service in OPS shall be governed for the remainder of their appointment by the terms and conditions of service specified in their letters of appointment. Any extension of the appointment, subject to satisfactory performance and availability of funds, shall maintain the restriction to service in UNOPS, and the related rights and entitlements shall be the same as those of staff recruited after 1 January 1995.

63. Staff currently serving in OPS on secondment to UNDP from other agencies shall continue in UNOPS for the unexpired portion of their secondment.

64. Recommendations of UNDP/UNOPS mechanisms such as the Appointment and Promotion Board, the Appointment and Promotion Panel and the Advisory Group on Special Post Adjustments, concerning currently employed staff holding unrestricted UNDP letters of appointment shall be submitted for decision by the Executive Director and subsequently the Administrator. The same shall apply to staff restricted to service with OPS for the remainder of their current appointment.

65. In order to maintain the present rotation mechanism with UNDP, the Executive Director shall be a full member of the UNDP management group deciding on reassignments. Professional staff who are mobile in regard to UNDP reassignment policy shall, upon completion of their regular term, be included in the reassignment exercise. Such staff members shall receive the compendium of vacancies approximately one year in advance of the planned reassignment in UNDP. Should reassignment not occur on that occasion, a one-year extension of their assignment to UNOPS may be agreed upon between UNDP and UNOPS, following which they shall be reintegrated in UNDP.

66. Appropriate procedures shall be developed to address the situation of UNDP staff members assigned to UNOPS and holding unrestricted letters of appointment, who, after a reasonable period of time, have not participated in the reassignment exercise.

67. Any cost that may arise in connection with separation entitlements and termination indemnities shall be shared on an equitable basis between UNDP and UNOPS. UNDP and UNOPS shall develop a mechanism for this, which shall take into consideration, inter alia:

(a) Obligations assumed by UNDP in respect of entitlements acquired by staff members prior to their having been assigned to UNOPS;

(b) Years of service in each organization.

New UNOPS staff

68. All UNOPS posts are funded from its income and consequently none can be considered "core posts" according to UNDP terminology. Therefore, appointments in UNOPS shall be made using various arrangements of specified duration, including:

(a) UNDP staff on assignment;

(b) Fixed-term contracts under the 100 and 200 Series of the Staff Rules;

(c) Short-term contracts and appointments for Activities of Limited Duration (ALDs) under the 300 Series of the Staff Rules;

(d) Secondments;

(e) Reimbursable loans.

69. In line with the established rotation mechanism, UNOPS posts requiring incumbency by personnel with a profile and experience normally found in UNDP career staff shall be included in the compendium of vacancies issued every year by UNDP. UNDP staff selected for reassignment to UNOPS after 1 January 1995 shall initially be assigned for two years. Subject to satisfactory performance and availability of funds, the assignment shall normally be extended for an additional two years in order to permit such staff to complete a regular rotational term in UNOPS.

Project personnel

70. The Executive Director shall recruit, administer, and separate project personnel at all levels, in accordance with United Nations Staff Regulations and Rules, remaining, initially, within the framework of the applicable UNDP policies.

Forthcoming proposals

71. The current proposals are expected to provide both a stable platform from which to administer the personnel of UNOPS, and some procedural enhancements, primarily through additional delegation of authority to the Executive Director. Additional proposals intended to further UNOPS ability to respond to evolving client needs will be submitted for approval in due course.

V. EXECUTIVE BOARD ACTION

72. The Executive Board may wish to:

1. Endorse the report of the Executive Director of the Office for Project Services (DP/1994/62 and Add.1-3);

2. Request the Administrator and Executive Director to implement the report;

3. Take note of the breakdown of the revised 1994-1995 budget estimates for OPS, as contained in document DP/1994/62/Add.3 and recall its decision 94/__ regarding the 1994-1995 estimates for UNDP, including OPS;

4. Approve that, in future, the Office for Project Services' biennial budget estimates be presented separately from those of the United Nations Development Programme;

5. Recommend to the General Assembly that:

(a) There be established, effective 1 January 1995, the United Nations Office for Project Services (UNOPS) as recommended by the Executive Board in its decision 94/12 of 9 June 1994, operating under the legal framework of the United Nations Development Programme basic assistance agreements with Governments as well as the Convention on the Privileges and Immunities of the United Nations, with the capacity to enter into contracts, institute legal proceedings, and acquire and dispose of movable and immovable property;

(b) The United Nations Office for Project Services shall operate under the UNDP Financial Regulations, as may be amended by the Executive Board, to take into account the requirements of the Office, including provisions to permit the Administrator to establish special financial and procurement rules for the United Nations Office for Project Services, provided that, until such time as the Executive Board promulgates modified financial regulations, the Office shall be permitted to operate provisionally under the proposed modifications to the UNDP Financial Regulations and Rules contained in document DP/1994/62/Add.2;

6. Request the Executive Director to report annually on activities of the United Nations Office for Project Services to the Executive Board, through the Management Coordination Committee.

UNITED NATIONS

DP

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.
GENERAL

DP/1994/62/Add.1
18 August 1994

ORIGINAL: ENGLISH

Third regular session 1994
October 1994, New York
Item 8 of the provisional agenda

OFFICE FOR PROJECT SERVICES

REPORT OF THE EXECUTIVE DIRECTOR OF THE OFFICE FOR PROJECT SERVICES ON WAYS OF ESTABLISHING THE OFFICE AS A SEPARATE AND IDENTIFIABLE ENTITY

Addendum

UNOPS USERS ADVISORY GROUP: ROLE, COMPOSITION AND FUNCTIONS

I. ROLE OF THE UNOPS USERS ADVISORY GROUP

1. In its decision 94/12, the Executive Board agreed in principle to the Secretary-General's proposal to establish, within existing resources, a UNOPS Users Advisory Group (UAG).

II. BASIC PRINCIPLES

2. UAG is responsible for ensuring that UNOPS is fully aware of the concerns of the United Nations organizations and others who utilize its services, and for making appropriate recommendations thereon.

III. COMPOSITION

3. UAG is chaired by the Under-Secretary-General for Development Support and Management Services (DDSMS). The UNOPS Executive Director is the Secretary of UAG.

4. The following are important current users of UNOPS services and will initially be invited to participate in UAG:

UNDP;

United Nations International Drug Control Programme;

International Fund for Agricultural Development;

World Bank;

Inter-American Development Bank;

United Nations Capital Development Fund;

United Nations Sudano-Sahelian Office;

Global Environment Facility;

Montreal Protocol

5. Additional United Nations organizations and specialized agencies that utilize UNOPS services may be included subsequently, or may be invited on an ad hoc basis to participate in discussions on topics that may be of interest to them.

6. As bilateral donors/entities and recipient Governments already have the opportunity to provide feedback to UNOPS through the Executive Board and other intergovernmental bodies, it is not envisioned that they would be included as members.

IV. FUNCTIONS OF UAG

7. The functions of UAG include:

(a) Ensuring a proper flow of information from UNOPS principal users to provide feedback on services rendered by UNOPS and on concerns that they may have in this regard;

(b) Providing an effective channel of communication from UNOPS to its users to facilitate an understanding of UNOPS existing and emerging services and corresponding policies;

(c) Identifying ways in which users and UNOPS can jointly enhance the impact of programmes and projects in developing countries;

(d) Promoting the dissemination of lessons learned and new approaches developed;

(e) Making recommendations to UNOPS with a view to enhancing its effectiveness and its responsiveness to the recipient countries and to its clientele. Copies of the UAG recommendations are forwarded to the UNOPS Management Coordination Committee (MCC).

V. UAG MEETINGS

8. Regular meetings of the UAG are held twice a year. Within the framework of the UAG's mandate, members of the UAG can propose topics for the agenda. Such requests shall be addressed to the Chairman with a copy to the Secretary. The Chairman of the UAG can call for extraordinary meetings on specific topics with invitations to non-members having both an interest in and a contribution to make on the subject at hand.

9. Meetings will take place at UNOPS headquarters. For the functioning of UAG and its secretariat, due regard will be given to the requirement to stay within existing resources.

UNITED NATIONS

DP

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.
GENERAL

DP/1994/62/Add.2
19 August 1994

ORIGINAL: ENGLISH

Third regular session 1994
October 1994, New York
Item 8 of the provisional agenda

OFFICE FOR PROJECT SERVICES

REPORT OF THE EXECUTIVE DIRECTOR OF THE OFFICE FOR PROJECT SERVICES ON WAYS OF ESTABLISHING THE OFFICE AS A SEPARATE AND IDENTIFIABLE ENTITY

Addendum

PROPOSED ANNEX TO UNDP FINANCIAL REGULATIONS AND RULES TO GOVERN ACTIVITIES OF OPS

Annex IV

UNITED NATIONS OFFICE FOR PROJECT SERVICES

1. This annex contains the text of additions or amendments to the UNDP Financial Regulations and Rules that shall be applicable to the United Nations Office for Project Services (UNOPS) and that are necessary in order to take account of the special requirements of UNOPS operations. This annex also indicates which of the UNDP Financial Regulations and Rules are not applicable to UNOPS.

2. Unless otherwise specified in this annex, the UNDP Financial Regulations shall apply, mutatis mutandis, to all UNOPS activities. Thus, for example, in the application of the Financial Regulations of UNDP to UNOPS:

"UNDP" shall mean "UNOPS" in the following Regulations and Rules:

Regulations: 2.2B (i); 3.1; 11.3; 11.4; Article XII Title; 14.3; 14.5; and 17.1;

Rules: 101.1 (a); 103.1 (a); 103.2; 109.1; 111.4; 111.5; 114.13 (b); 114.14 (a); 114.15 (b); 114.22; 114.23 (b) (vi); 114.25 (b);

114.28 (e); 114.29; 114.32 (b) and (e); 114.35 (b) and (d); 116.2 (c); 116.5 (b); and 116.7;

"OPS" shall mean "UNOPS";

"the Executive Board (formerly 'Governing Council')" shall mean "the Executive Board of UNDP as provider of policy guidance and to supervision over UNOPS";

"the Administrator" shall mean "the Administrator, when performing the functions of Chair of the Management Coordination Committee of UNOPS", except in Regulations 9.1, 9.8 and 11.1, and in Rule 109.1 (a), where "Administrator" shall mean "the Executive Director of UNOPS";

"the Assistant Administrator, Bureau for Finance and Administration" (or "Assistant Administrator") shall mean "the Executive Director of UNOPS" (or simply, "Executive Director");

"the Director, Division of Finance" shall mean "the Executive Director of UNOPS";

"the Division of Finance" shall mean "UNOPS Finance Section" in Rule 114.13 (a).

3. The following provisions of the UNDP Financial Regulations shall not apply to UNOPS. They are provisions that either concern matters unique to UNDP or have been amended for application to UNOPS as indicated in paragraph 5 below.

Article I. Applicability: Regulation 1.3

Article II. Definitions: Regulations 2.1 (h); 2.2 E (ii); 2.2 Q (i); and 2.2 P (v), (vi) and (vii)

Article IV. UNDP Funds: Regulations 4.1 to 4.17

Article V. Trust Funds: Regulations 5.1 to 5.3

Article VI. Financial Periods: Regulations 6.1 to 6.4

Article VII. General Framework: Regulations 7.1 to 7.4

Article VIII. Programme Activities: Regulations 8.1 to 8.11

Article IX. Biennial Budget: Regulations 9.3, 9.4, 9.7 and 9.9

Article X. Allocations for Programme Activities: Regulations 10.1 to 10.4

Article XI. Utilization of Resources: Regulation 11.5

Article XII. The UNDP Account: Regulations 12.1, 12.2, 12.3 and 12.4

Article XIII. Management of Funds: Regulations 13.2 to 13.8

Article XIV. Internal Control: Regulations 14.1 and 14.5

Article XV. Executing Agencies: Regulations 15.1 to 15.4

Article XVI. The Accounts: Regulations 16.1 and 16.3

Article XVII. External Audit: Regulation 17.2

4. The following provisions of the UNDP Financial Rules shall not apply to UNOPS. They are provisions which either concern matters unique to UNDP or have been amended for application to UNOPS as indicated in paragraph 6 below.

Article III. Accountability: Rules 103.1 (c) and (d)

Article IV. UNDP Funds: Rules 104.1 to 104.15

Article V. Trust Funds: Rules 105.1 to 105.6

Article VIII. Programme Activities: Rules 108.1 to 108.20

Article IX. Biennial Budget: Rules 109.1 (b) and (c); 109.3 (b) and (c); 109.4 (a), (c) and (d); and 109.5

Article X. Allocations for Programme Activities: Rules 110.1 to 110.6

Article XI. Appropriations for the Biennial Budget: Rule 111.1, 111.2 and 111.3

Article XIII. Management of Funds: Rules 113.1 to 113.6

Article XIV. Internal Control: Rules 114.1(a), (b) and (d); 114.2; 114.3; 114.4 (a), (e) and (f); 114.5 (d) and (e); 114.6 (a) and (c); 114.7 (b); 114.8; 114.9 (a); 114.10; 114.11; 114.12 (a); 114.13 (a); 114.15 (a) and (c); 114.16 (a); 114.17; 114.18; 114.19; 114.21; 114.23 (b) (v); 114.24 (a) (i); 114.25 (a) and (c); 114.27 (b); 114.28 (b), (c) and (d); 114.32 (a) and (d) (ii); 114.33 (b); 114.36; 114.37 (c); and 114.38

Article XV. Executing Agencies: Rule 115.1

Article XVI. The Accounts: Rules 116.1; 116.2 (d); 116.3, and 116.4

Article XVII. External Audit: Rule 117.1

5. The following provisions shall apply solely to UNOPS. They represent additions to, deletions from, or provisions in substitution for, the corresponding provisions contained in the UNDP Financial Regulations.

Regulation 1.3

The provisions contained in this annex shall become effective on 1 January 1995.

Regulation 2.1

(i) "UNOPS" shall mean the United Nations Office for Project Services, as established by decision ____;

(j) "Management Coordination Committee" shall mean the Committee established by the Secretary-General to assist him in providing policy and management direction in the functioning of UNOPS; and

(k) "Executive Director" shall mean the Executive Director of UNOPS;

(l) "Funding source" shall mean any entity, which may be an organization of the United Nations system, an international financial institution, a recipient Government, a donor Government, or a non-governmental organization, which provides financial resources for development assistance, as formalized in an agreement through which UNOPS provides implementation, management or loan administration/project supervision services.

Regulation 2.2

E (ii) "expenditure" shall mean total charges incurred, whether paid or unpaid, i.e., the sum of disbursements and unliquidated obligations for the current year in respect of projects and for the biennium in respect of the biennial budget;

F (iv) "fee" shall mean the sum payable to UNOPS for Services rendered in the context of management and other support services agreements. It shall include all costs associated with the development, negotiation, conclusion and implementation of such agreements;

F (v) "funds received" shall mean:

For projects financed from UNDP funds: the signed project document or advance authorization;

For projects financed from non-UNDP funds administered by UNDP: cash received by UNOPS or a recognized blanket withdrawal authorization or letter of credit from a funding source;

For projects financed from other funds: cash received; or

Other arrangements that may be agreed;

M (i) "Management Services Agreement" shall mean the written arrangement specifying the management or other support services UNOPS is to provide a recipient Government for an agreed fee;

O (i) "obligation" shall mean an engagement involving a liability against the resources of the current year and future years in respect of project activities and the current biennium in respect of the biennial budget;

O (ii) "operational costs" shall mean the costs against the UNOPS Account of UNOPS Activities for the provision of management, technical, administrative, financial and logistical support;

P (v) "project support and administrative services" shall include those activities that are undertaken by UNOPS to provide management, technical, administrative, financial and logistical support;

P (vi) "project" shall mean a separately identified development undertaking of one or more Governments and assisted by a funding source;

P (vii) "project document" shall mean the written document, and revisions thereof, covering the agreed arrangements for the implementation of the project, which includes, inter alia, a budget for a funding source assistance to the project. This term, where appropriate, shall also include management or other support services agreements;

R (i) "resources entrusted to the charge of UNOPS" shall mean all resources for which UNOPS is responsible by virtue of its acceptance to provide Services;

S (ii) "Services" shall mean the implementation of programmes and projects under execution by other organizations of the United Nations system, the provision of management and other support services for multilateral, bilateral and recipient government-financed projects, and the loan administration and project supervision on behalf of international financial institutions, by UNOPS;

S (iii) "support costs" shall mean the expenses incurred by UNOPS as a result of its implementation of projects funded either by UNDP or other United Nations organizations that apply a common reimbursement regime for such implementation services;

U (v) "UNOPS Account" shall mean the Account established for the purposes of accounting for all income to UNOPS and all expenditures made on behalf of UNOPS against that income;

U (vi) "UNOPS Activities" shall mean undertakings by UNOPS, either in the form of services funded by projects or in the form of project support and administrative services funded from the UNOPS Account;

U (vii) "UNOPS income" shall mean the earnings of UNOPS for its Services, and shall include:

(a) Support costs collected;

(b) Fees earned under management or other support services agreements; and

(c) Interest earned thereon.

Regulation 8.1

Policies set by the Executive Board shall determine the nature of UNOPS activities, which UNOPS shall undertake solely to the extent that income generated covers its operational costs and the obligations for budgeted services in any project document are covered by funds received from the funding source.

Regulation 8.2

Under policies established by the Executive Board, UNOPS may:

(a) Enter into such arrangements, agreements and contracts with organizations, institutions and firms as are required for the purpose of carrying out its activities;

(b) Acquire and dispose of real and personal property and may take other legal action necessary for the performance of its activities.

Regulation 8.3

UNOPS Services shall be provided within the framework of a project document which shall specify, inter alia, a project budget, as well as the income UNOPS is to receive for the Services rendered.

Regulation 9.3

The Executive Director shall, in the second year of a biennium, submit the proposed UNOPS biennial budget for the following biennium to the Executive Board through the Management Coordination Committee. This proposed biennial budget shall be transmitted to all Members of the Executive Board at least six weeks prior to the opening of that session of the Board.

Regulation 9.4

The Executive Director, through the Management Coordination Committee, shall also transmit the proposed biennial budget to the Advisory Committee on Administrative and Budgetary Questions, for examination at the same time as it is transmitted to Members of the Executive Board under Regulation 9.3 above.

Regulation 9.9

The Executive Director shall prepare supplementary proposals to amend the biennial budget in a form consistent with the approved biennial budget and shall submit such proposals to the Executive Board through the Management Coordination Committee. They shall also be submitted to the Advisory Committee on Administrative and Budgetary Questions, which is requested to review them and report thereon to the Executive Board.

Regulation 11.5

UNOPS may exceed the gross appropriations approved by the Executive Board to the extent that such increase is covered by increased income in the biennium.

Regulation 12.1

There shall be established a UNOPS Account to which all of the income to UNOPS derived from its Services shall be credited and against which all expenditures on behalf of UNOPS shall be charged.

Regulation 12.2

(a) Within the UNOPS Account, a reserve shall be established at a level set by the Executive Board. The elements to be compensated for and covered by it shall be limited to:

(i) Shortfalls in income;

(ii) Uneven cash flows;

(iii) Professional or contractual liabilities associated with UNOPS Services; and

(iv) Liabilities associated with UNOPS personnel contracts financed from the UNOPS Account.

(b) The decision to make a drawdown from the UNOPS Reserve shall rest solely with the Executive Director, who will report through the Management Coordination Committee all drawdowns to the Executive Board at its next regular session and between sessions, to Members of the Executive Board as may be prescribed by the Board, or whenever the situation, in the Executive Director's opinion, so merits.

Regulation 12.3

Separate accounts shall be maintained for all reserves within the UNOPS Account.

Regulation 13.2

The Secretary-General may delegate to the Administrator such authority with respect to custody of funds as would facilitate the efficient and effective management of UNOPS income as well as resources entrusted to the charge of UNOPS, and such delegated authority may be accepted by the Administrator in writing.

Regulation 14.1

(a) The Administrator shall, on the basis of proposals from the Executive Director and in consultation with the Management Coordination Committee, establish and/or amend detailed financial rules in order to ensure effective financial administration and the exercise of economy; and circulate the Financial Rules to Members of the Executive Board for information at least 30 days before they become effective;

(b) The Executive Director shall cause all payments to be made on the basis of supporting vouchers and other documents which ensure that the services or goods have been received and that payments have not previously been made;

(c) The Executive Director shall designate the officers who may receive moneys, incur obligations or commitments and make payments on behalf of UNOPS;

(d) The Executive Director shall maintain an internal financial control which shall provide for an effective current examination and review of financial, management and operational activities, in order to ensure:

(i) The regularity of the receipt, custody and disposal of UNOPS income, as well as resources entrusted to the charge of UNOPS;

(ii) The conformity of expenditures and commitments with the allocations, appropriations or other financial provisions decided upon by the Executive Board or with agreements with other United Nations organizations and other entities;

(iii) The effective and efficient management of UNOPS and the effective, efficient and economic use of UNOPS income, as well as of the resources entrusted to the charge of UNOPS.

Regulation 14.5

The Executive Director shall be responsible for the purchasing of equipment and supplies and the contracting of services where budgetary provision has been made in the biennial budget and in the budgets of projects for which UNOPS provides Services.

Regulation 16.1

The Executive Director shall submit accounts biennially in respect of the UNOPS Account in respect of resources entrusted to the charge of UNOPS, in accordance with United Nations system accounting standards.

The Administrator shall also give such other information as may be appropriate to indicate the current financial position and shall maintain such accounts and records as are necessary to report to the Executive Board and the General Assembly on the financial status of UNOPS.

Regulation 16.3

The accounts shall be submitted by the Executive Director, not later than 15 April of the year following the end of each biennium, to the United Nations Board of Auditors for examination and opinion.

Regulation 17.2

The Executive Director shall ensure that those entities selected by UNOPS to cooperate in the provision of UNOPS Services shall require their auditors to follow, to the extent feasible, the audit principles and procedures prescribed

for the United Nations in respect to funds obtained from or through UNOPS and shall ensure that each project is audited at least once in its lifetime and shall submit audit reports together with the reports specified in the project document.

6. The following provisions shall apply solely to UNOPS. They represent additions to, deletions from, or provisions in substitution for, the corresponding provisions contained in the UNDP Financial Rules.

Accountability

Rule 103.1

...

(c) The Executive Director may delegate responsibility for administration of these Rules, in whole or in part, to UNOPS staff;

(d) The Executive Director may issue such instructions or establish such procedures as he/she may deem necessary for the administration of these Rules, including necessary and appropriate internal oversight mechanisms;

(e) In connection with the administrative services to be provided by UNDP to UNOPS, the Executive Director shall entrust to UNDP such authorities as are necessary for the effective provision of such services, at headquarters or in the field. Authorities entrusted to UNDP may be included in an agreement between UNOPS and UNDP (see also Rule 108.3).

Collection of income

Rule 108.1

The Executive Director shall establish appropriate procedures for the collection of UNOPS income.

Procedures for utilization of resources

Rule 108.2

The Executive Director shall establish procedures consistent with this annex for the utilization of UNOPS income, as well as resources entrusted to the charge of UNOPS (see Financial Regulation 14.1 (d) (i), below).

Agreement with UNDP for administrative services

Rule 108.3

(a) The administrative arrangements, including financial, accounting, audit, treasury and other support services to be provided to UNOPS by UNDP, and the costs thereof, shall be set forth in an agreement which shall be subject to such periodic review and adjustment as may be appropriate to ensure the most effective and efficient support to UNOPS;

(b) The agreement shall specify the authorities entrusted to UNDP by the Executive Director;

(c) The agreement shall specify the framework for the involvement of UNDP country offices in the provision of UNOPS Services.

Agreement with UNDP for the provision of UNOPS Services

Rule 108.4

An agreement between UNDP and UNOPS shall specify the general terms and conditions, including responsibilities, reporting requirements and support costs, which shall apply within the framework of UNDP assistance to projects for which UNOPS is to provide Services.

Proposed biennial budget

Rule 109.1

...

(c) The Executive Director shall make budget proposals to the Executive Board, through the Management Coordination Committee.

Form of the proposed biennial budget

Rule 109.3

...

(b) The proposed biennial budget shall be accompanied by:

(i) A detailed table showing the estimated expenditure for each major budget component; for purposes of comparison, the appropriations for the current biennium shall be indicated alongside the estimates for the following biennium; and

(ii) Explanatory statements with regard to projected income and proposed expenditure levels;

(c) The proposed biennial budget shall contain provision for the refund to UNOPS staff members of income taxes levied on them in respect of earnings derived from employment with UNOPS.

Supplementary biennial budget proposals

Rule 109.4

(a) Supplementary budget proposals in respect of the current financial period prepared in a form consistent with the biennial budget shall be submitted if inflation forecasts, currency fluctuations, other cost factors or

availability of resources are expected to have a significant impact on approved appropriations;

...

(c) All supplementary biennial budget proposals shall be reviewed by the Executive Director, who shall make his/her recommendations to the Executive Board;

(d) The supplementary budget proposals shall be submitted through the Management Coordination Committee to the Advisory Committee for comment prior to their presentation to the Executive Board.

Contingency provision

Rule 109.5

In accordance with Regulation 11.5, and Rules 111.1 and 111.2 (c), UNOPS shall, throughout the biennium, and in accordance with procedures established pursuant to those Rules, have flexibility to utilize unspent and/or projected income for the biennium to cover unforeseen personnel and related administrative expenditures.

Redeployment of resources

Rule 111.1

The Executive Director may redeploy resources among objects of expenditure, provided such redeployments are within the total appropriations approved by the Executive Board.

Staffing table authorizations

Rule 111.2

(a) An authorized staffing table shall be issued annually by the Executive Director, indicating the number and level of approved posts;

...

(c) Notwithstanding subsections (a) and (b) above, the Executive Director may establish or abolish posts below the level of D-1, subject to expected income to cover such costs or shortfall of income, and to ex post facto approval by the Executive Board.

Allotments

Rule 111.3

(a) An allotment advice shall be issued annually by the Executive Director for the objects of expenditure under his/her control;

(b) Certifying officers are responsible for ensuring that expenditures do not exceed the level of funds provided under each allotment line;

(c) Requests to the Executive Director for revision of the level of funds provided under an allotment line shall be accompanied by a detailed justification for the required change.

Level of UNOPS reserve

Rule 112.1

(a) The unspent income transferred to the UNOPS account on 1 January 1995 shall be the basis for the establishment of the UNOPS Reserve;

(b) Increases and/or replenishment to the Reserve shall be drawn from accumulated unspent income in the UNOPS Account.

Management of funds

Rule 113.1

The Executive Director shall, on behalf of the Administrator, exercise effective and efficient management of UNOPS income as well as resources entrusted to the charge of UNOPS. The agreement between UNDP and UNOPS, as indicated in Rule 108.3, shall specify all matters necessary with respect to management by UNDP of such income and resources, as an administrative service to UNOPS.

Certifying officers

Rule 114.1

(a) One or more individuals shall be designated by the Executive Director, as certifying officer(s) for UNOPS. Alternates may also be designated by the Executive Director, to act in the absence of the certifying officer(s). The Executive Director shall designate one or more individuals as certifying officers for projects for which UNOPS provides Services;

(b) The responsibilities of certifying officers, including those for specific accounts assigned to them, shall be established by the Executive Director. Any authority granted and responsibility assigned to such officers is a personal one and cannot be delegated;

...

(d) The arrangements for the designation of certifying officers at UNDP for UNOPS activities shall be specified in the agreement between UNOPS and UNDP for administrative support services (see Rule 108.3).

Approving officers

Rule 114.2

(a) Within UNOPS, the Executive Director shall designate certain individuals as approving officers;

...

(d) Those individuals so designated shall have the responsibility for approving payments and other financial transactions on behalf of UNOPS (Rule 114.4 and Rule 114.5). The responsibility assigned to an approving officer cannot be delegated;

(e) The arrangements for the designation of approving officers at UNDP for UNOPS activities shall be specified in the agreement between UNDP and UNOPS (see Rule 108.3).

Reservation of funds to meet expenditures

Rule 114.3

(a) Apart from the employment of staff under an authorized staffing table, and consequential commitments under the Staff Regulations and Rules, no contract, agreement or undertaking of any nature for an amount to be specified from time to time shall be entered into until funds have been reserved in the accounts, by means of an obligating document. When a change exceeding the amount so reserved by a specified amount is foreseen, the certifying officer shall issue an amended obligation document. Should an invoice be presented for payment in an amount which exceeds the existing relevant obligation by the specified amount or more, prior certification of the payment is required. The agreement between UNDP and UNOPS (Rule 108.3) shall specify the amounts for which certification of amendment, and certification of payment are required;

(b) When a liability is incurred in currencies other than United States dollars, it shall be recorded in the accounts in the United States dollar equivalent at the prevailing United Nations operational rate of exchange. At the time of payment, where currency fluctuation has resulted in a change in the United States dollar equivalent from the original amount obligated, the difference is to be charged or credited to the same account against which the obligation was recorded. In such cases, an amendment to the original obligation document is not required. Valid obligations at 31 December should be revalued to reflect the United Nations operational rate of exchange in effect on that date, and an amended obligation document issued, should the revalued obligation exceed the original by an amount specified in the agreement between UNDP and UNOPS (Rule 108.3).

Certification and approval of obligations and expenditures

Rule 114.4

(a) Each proposed obligation document, accompanied by appropriate supporting documentation, shall be certified by an individual designated for the purpose by the Executive Director;

...

(e) Proposed payments against liabilities which had inadvertently not been previously obligated shall require both certification and approval by the appropriate individuals before payment can be effected but shall not require an obligation document to be established;

(f) The Executive Director, shall have authority to certify obligations and approve payments affecting the UNOPS Account or resources entrusted to the charge of UNOPS.

Approval of payments and other financial transactions

Rule 114.5

...

(d) All authorizations by UNOPS headquarters to the field to effect payments on its behalf, whether by cable or by letter, are to be issued by the Executive Director or in his/her name, and are to be signed on his/her behalf by individuals who have been designated by him/her. The authority with respect to the Executive Director applies solely to UNOPS activities or transactions;

(e) Transfers of funds shall be specified in the agreement between UNDP and UNOPS (Rule 108.3).

Disbursements to be made by cash, cheque or bank transfer

Rule 114.6

(a) All disbursements shall be made as specified in the agreement between UNDP and UNOPS (Rule 108.3);

...

(c) Cheques or payment instructions to banks shall be signed by two authorized signatories. Where adequate safeguards are provided, the signing of cheques by one signatory only may be authorized by UNDP as specified in the agreement between UNDP and UNOPS (Rule 108.3).

Receipt and deposit of moneys

Rule 114.7

...

(b) For treasury functions to be performed by UNDP on behalf of UNOPS, only officials duly designated by the Director, Division of Finance, shall be authorized to issue such receipts. In cases where officials other than those authorized to issue official receipts receive moneys intended for UNDP or UNOPS, they shall immediately transmit such moneys in full to the cashier or other official authorized to issue an official receipt.

Petty cash advances

Rule 114.8

In accordance with the terms of the agreement between UNDP and UNOPS, petty cash advances may be made to individuals designated, in the case of UNOPS activities, by the Executive Director. These cash advances shall be maintained on an imprest basis. The amount and purposes of each advance shall be defined by the Executive Director.

Responsibility of holders of petty cash advances

Rule 114.9

(a) Individuals to whom petty cash advances are issued may make use of the advances only for the purpose for which the advances were authorized and shall be held personally responsible and financially liable for the proper management and safekeeping of the cash advanced. They shall submit monthly accounts unless otherwise required by the Executive Director. They shall be in a position at all times to account for the advances. Cash or negotiable instruments shall be kept in safe custody.

Other cash advances

Rule 114.10

In addition to advances specified in Rule 114.8, the Executive Director may authorize such other cash advances as may be permitted by the Staff Rules and administrative instructions or as may otherwise be approved as specified in the agreement between UNDP and UNOPS (Rule 108.3).

Administration of biennial budget appropriations

Rule 114.12

(a) The Executive Director is responsible for ensuring that the expenditures remain within the approved appropriations, subject to Regulation 11.5, and are incurred for the purposes for which they were approved.

Writing-off of losses of cash and receivables

Rule 114.15

(a) The Executive Director, may, after full investigation, authorize the writing-off of losses of cash, accounts receivable and notes receivable deemed to be irrecoverable and against the UNOPS Account, except that proposals to write-off amounts in excess of $10,000 shall be submitted by the Executive Director to the Administrator for approval;

...

(c) The amount authorized for waiver of investigation and write-off in accordance with Financial Regulation 14.4 is $500.00.

Writing-off of losses of property

Rule 114.16

(a) The Executive Director may, after full investigation in each case, authorize the writing-off of losses of UNOPS property or such other adjustment of the records as will bring the balance shown by the records into conformity with the actual quantities. The Executive Director may, subject to acceptance by the funding source, write off project-related losses against the respective project accounts.

Procurement functions of UNOPS

Rule 114.17

(a) The Executive Director shall be responsible for all procurement functions of UNOPS in respect of activities chargeable to the UNOPS Account, projects which UNOPS implements, and any other activity or service undertaken by UNOPS as may be authorized by the Executive Board;

(b) The procurement functions of UNOPS shall cover, inter alia, activities necessary for the purchase, rental, or sale of goods, services, including the services of individual independent contractors, and other requirements such as works and property, including realty;

(c) All contracts or other agreements in respect of such procurement functions shall be entered into only by officers duly authorized by the Executive Director. These officers shall be responsible for ensuring that the procurement functions delegated to them are carried out pursuant to these Rules;

(d) In carrying out its activities, UNOPS may cooperate with an executing agency of UNDP for the procurement of goods, services and works.

General principles

Rule 114.18

The following general principles shall be given due consideration in carrying out the procurement functions of UNOPS under these Rules:

(a) Applicable decisions of United Nations governing bodies;

(b) Economy and efficiency;

(c) The guidelines and determinations as specified in the funding agreement between the funding source and the beneficiary Government, to the extent that such guidelines and determinations are consistent with the aims and policies of the United Nations;

(d) Soliciting of proposals and competitive bidding to allow prospective proposers and bidders fair and equal opportunities to provide those goods, services and other requirements being sought by UNOPS;

(e) The utilization of currencies made available by the funding source and which require special management.

Requirement for invitations to bid or requests for proposals

Rule 114.19

Except as provided in Rule 114.23, and in accordance with the provisions in Rule 114.18 (b), all procurement actions under these rules shall be carried out by means of either invitations to bid or requests for proposals, depending on the nature of the procurement action to be undertaken. The form of such invitations to bid or requests for proposals shall be in accordance with procedures established by the Executive Director.

Contracts Committee

Rule 114.21

(a) There shall be established a contracts committee, to be called "UNOPS Procurement Review and Advisory Committee (PRAC)", at UNOPS headquarters to render written advice to the Executive Director on procurement actions against the UNOPS administrative budget and project budgets - excepting those cases indicated in subsection (e), below - regarding:

(i) Proposed contracts which involve commitments to a single contractor in respect of a single requisition for a specific project or purpose, or a foreseeable series of contracts relating to the same specific project or purpose, totalling $100,000 or more;

(ii) Proposed contracts or series of related contracts which involve income to UNOPS or the funding source of $10,000 or more; and any contracts relating to activities where the estimated annual income therefrom

when aggregated with the estimated annual income from any other contract or contracts already made with the same purchaser in the same year, amounts to $10,000 or more, provided that contractual arrangements resulting from the recommendations of the UNDP Property Survey Board, as specified in the agreement between UNDP and UNOPS for the provision of administrative services by UNDP for UNOPS (Rule 108.3), shall not be referred to the Contracts Committee;

(iii) Any contract amendment, or series of amendments, which in aggregate either has a value of $100,000 or more or which would increase the amount of the contract as previously recommended by the Committee by more than 50 per cent, whichever is the less;

(iv) Such other matters relating to procurement as may be referred to the Committee by the Executive Director;

(b) The composition of the UNOPS contracts committee and its terms of reference shall be determined by the Executive Director;

(c) As required, with the agreement of UNDP, the Executive Director may make use of a local contracts committee at any UNDP country office by giving appropriate instructions. Where such arrangements would not best serve the efficient and effective operations of UNOPS, the Executive Director may establish a separate local contract committee with terms of reference similar to those of the UNOPS Procurement Review and Advisory Committee and determine its membership;

(d) Where, under the preceding provisions of this Rule, the advice of the UNOPS Procurement Review and Advisory Committee (or of the appropriate local committee) is required to be sought, no commitment may be entered into before such advice is acted upon by the Executive Director or the UNDP resident representative or their authorized delegates. In cases where the Executive Director or UNDP resident representative or their authorized delegate decides not to accept the advice of such committee, he/she shall record the reasons for such decision;

(e) Notwithstanding subsections (a) (i) and (iii) of this Rule, above, only ex post facto reporting to the Executive Director is required:

(i) Where the entity being awarded the contract has been agreed between the funding source and the beneficiary Government, and accepted by UNOPS in a project document or management services agreement; or

(ii) Where the entity being awarded the contract was selected on the basis of UNOPS evaluation of at least three (3) technically acceptable bids or proposals; and

a in the case of bids, the entity's bid was lowest; or

b in the case of proposals, the entity's technical proposal scored the highest, and its financial proposal was the lowest;

(f) The Executive Director may, where he/she deems appropriate, and in accordance with the provisions in Rule 114.23 (b) (iii), exceptionally waive the requirement for contracts committee review prior to making a contract award for a particular procurement case.

Negotiated contracts: exceptions to requirement for invitations to bid or requests for proposals

Rule 114.23

...

(b)

...

(v) The proposed contract relates to the obtaining of the services of specific individuals, other than for staff services, who are engaged as independent contractors, either directly, or through their employer;

(c) Procedures regarding negotiated contracts shall be established by the Executive Director.

Written contracts or purchase orders

Rule 114.24

(a) Written contracts or written purchase orders shall be used for every award made to a single contractor or vendor in the following amounts:

(i) In the case of UNOPS headquarters, an aggregate amount of $2,500 or more, and

...

Advance and progress payments

Rule 114.25

(a) Where normal commercial practice or the interests of UNOPS so requires, a contract or purchase order may be made on behalf of UNOPS which permits a payment or payments on account in advance of the delivery of goods or performance of contractual services. Whenever an advance payment is agreed to, the reasons therefor shall be recorded and the UNOPS shall be duly protected. If so stipulated in the contract, any interest earned by a payee on an advance payment by UNOPS shall be considered recoverable and, when paid to UNOPS, credited to the UNDP or UNOPS accounts, as appropriate and in conformity with these Regulations and Rules.

Provision of and accounting for goods, services, and other requirements to others

Rule 114.27

...

(b) At the request of recipient Governments or other entities, UNOPS may provide management and other support services against funds provided by a funding source. In this connection, management and other support services shall mean a range of services, which may include procurement and full financial services, associated with the financing of activities by Governments, or intergovernmental or governmental organizations:

(i) Such services shall be provided on the basis of written arrangements with the funding source and/or recipient Government. These arrangements shall, inter alia, specify the services which UNOPS is to furnish and provide for a fee, as defined in Regulation 2.2 U (vii);

(ii) Separate accounts shall be maintained to record all financial transactions relating to management services agreements. The balances of such accounts shall be reported in the appropriate financial statements. Any interest earned on funds held shall be credited to the respective management services accounts. The management fee shall be charged to the related management services account and credited to the UNOPS Account.

Receipt, management and disposal of supplies, equipment and other property

Property records and physical inventories

Rule 114.28

...

(b) The Executive Director shall be responsible for the maintenance of the property records established under (a) above. Such records shall be maintained both for headquarters and for UNOPS project offices, including, where appropriate, UNDP country offices and shall show separately supplies, equipment and other property entrusted to the charge of UNOPS;

(c) Physical inventories shall be taken of supplies, equipment or other property entrusted to the charge of UNOPS, annually or at such intervals as deemed necessary to ensure adequate control over such property. The selection of items to be inventoried shall be the responsibility of the Executive Director, who shall also arrange for the conduct of physical inventories at headquarters;

(d) The maintenance of property records as well as the conduct of physical inventories at UNDP field offices shall be the responsibility of the resident representative and, at UNOPS project sites, the responsible project authority;

(e) With respect to actions at UNOPS headquarters, the Executive Director may delegate the responsibilities assigned to him/her under (a), (b) and (c) above.

Shortages, overages, damages and surplus property

Headquarters Property Survey Board

Rule 114.32

(a) The use by UNOPS of the Headquarters Property Survey Board at UNDP headquarters shall be subject to the agreement between UNDP and UNOPS (Rule 108.3). The composition of the Board and its terms of reference shall be determined by the Administrator;

...

(d) The Headquarters Property Survey Board shall investigate and report to the Executive Director on:

...

(ii) The disposal of supplies, equipment or other property which have become surplus to operating requirements of UNDP or UNOPS or unserviceable through obsolescence or normal wear and tear;

...

Local property survey boards

Rule 114.33

...

(b) Where a local Property Survey Board is established, the Executive Director shall authorize the resident representative concerned to act on his/her behalf in respect of its recommendations regarding UNOPS matters. A record shall be kept at the field office of such actions.

Sales on a cash basis

Rule 114.36

(a) Sales of property of UNOPS or from resources entrusted to the charge of UNOPS shall be on the basis of cash payments on or before delivery;

(b) Exceptions to this Rule may be authorized in writing by the officials designated in the agreement between UNDP and UNOPS (Rule 108.3), when, in the view of the Executive Director, this is in the interest of UNOPS or the funding source.

Accounting for proceeds from sales

Rule 114.37

The proceeds from the sale of property shall be credited as miscellaneous income to the source of funds originally charged with the purchase thereof, except:

...

(c) Where normal practice is to secure and use certain material or equipment in connection with a contract and to salvage and sell such material or equipment at a later stage, the officials designated in the agreement between UNDP and UNOPS, may authorize the crediting of these proceeds to the account from which procured, provided that the account has not been closed.

Internal audit

Rule 114.38

The Division for Audit and Management Review of UNDP shall be responsible, as part of the services to be provided to UNOPS by UNDP, for the internal audit of UNOPS and shall have free access to all books, records and other documents which are, in its opinion, necessary for the performance of the audit. Its reviews shall be conducted in accordance with generally accepted auditing standards, shall provide comments and recommendations to the Executive Director, with copies to the Management Coordination Committee, on financial, management and operational activities, in respect of:

(a) The regularity of the receipt, custody, expenditure, accounting and reporting of UNOPS income as well as resources entrusted to the charge of UNOPS, and the effectiveness of (existing) internal controls and accounting systems;

(b) The conformity of expenditures with the purposes for which funds were appropriated or otherwise provided by the Executive Board and the financial authorizations issued thereunder, or with the purposes and rules relating to agreements with other United Nations organizations and other entities;

(c) The compliance of all financial activities and transactions with established regulations, rules, policies, procedures and administrative instructions;

(d) The effective and efficient management of UNOPS and the effective, efficient and economic use of UNOPS income and resources entrusted to the charge of UNOPS.

Responsibility for maintaining the accounts

Rule 116.1

The official(s) designated in the agreement between UNDP and UNOPS (Rule 108.3) shall prescribe and maintain financial accounts and subsidiary

records and shall institute systems and procedures, including those in respect of UNDP field offices, which would permit accurate and timely financial reporting on all UNOPS activities to the Executive Director and to appropriate governing bodies.

Principal accounts

Rule 116.2

The principal accounts shall consist of:

...

(d) Other accounts similarly structured as those described under (a)-(c) above as may be appropriate for resources entrusted to the charge of UNOPS.

Retention and destruction of records

Rule 116.3

The accounting and other financial records and all supporting documents shall be retained for such periods as may be agreed with the Board of Auditors, after which such records and documents may be destroyed.

Basis of accounting

Rule 116.4

All financial transactions shall be accounted for in accordance with the United Nations System Accounting Standards.

Certification of financial statements

Rule 116.7

The Executive Director, and UNDP, to the extent specified in the agreement with UNOPS (Rule 108.3), shall certify that to the best of his/her/their knowledge, information, and belief, all material transactions have been properly charged in the accounting records and are properly reflected in the financial statements and supporting schedules.

UNITED NATIONS **DP**

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.
GENERAL

DP/1994/62/Add.3
19 August 1994

ORIGINAL: ENGLISH

Third regular session 1994
October 1994, New York
Item 8 of the provisional agenda

OFFICE FOR PROJECT SERVICES

REPORT OF THE EXECUTIVE DIRECTOR OF THE OFFICE FOR PROJECT SERVICES ON WAYS OF ESTABLISHING THE OFFICE AS A SEPARATE AND IDENTIFIABLE ENTITY

Addendum

BREAKDOWN OF REVISED BUDGET ESTIMATES FOR THE OFFICE OF PROJECT SERVICES FOR THE BIENNIUM 1994-1995

I. INTRODUCTION

1. A budget for the 1994-1995 biennium was approved by the Governing Council in the amount of $73,197,000 (see DP/1993/45 and decision 93/35). That budget provided for 247 staff positions: 93 Professional and 154 General Service.

2. The revised estimates for OPS for the biennium 1994-1995 are incorporated in the revised estimates for UNDP for the biennium 1994-1995 (DP/1994/35). For information purposes, a breakdown of these revised estimates is provided in table 1 of the present document. The total amount is $68,226,200, which corresponds to the projected income during the biennium. This revised budget provides for 241 posts, reflecting a reduction of six posts (2 Professional and 4 General Service).

3. Pending the establishment of UNOPS, the budget is being presented distinguishing, as in the past, between "budgetary" and "extrabudgetary" resources. Effective 1 January 1995, UNOPS will account for its income and expenditure under a single budget, without reference to "budgetary" or "extrabudgetary" resources.

Table 1. UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)
BREAKDOWN OF REVISED BUDGET ESTIMATES FOR THE BIENNIUM 1994-1995

Object of expenditures	Budgetary	Extrabudgetary	TOTAL
Established posts a/	12573.3	14356.0	26929.3
Temporary assistance	264.1	346.1	610.2
Appointments for activities of limited duration			0.0
Consultants	434.0	496.0	930.0
Overtime and night differential	286.7	264.8	551.5
Common staff costs a/	6603.6	7838.3	14441.9
Other staff travel	894.6	698.6	1593.2
Information contracts including printing and binding	1791.6	2603.9	4395.5
Translation			0.0
Systems development contracts			0.0
Sub-contracts			0.0
Rental and maintenance of premises	1915.5	2939.5	4855.0
Utilities	125.9	148.7	274.6
Rental and maintenance of furniture, equipment and vehicles including maintenance supplies	137.8	135.5	273.3
Communications	838.6	1109.4	1948.0
Hospitality	13.2	4.8	18.0
Miscellaneous services	192.7	253.4	446.1
Stationery and office supplies including internal reproduction supplies	435.4	462.4	897.8
Office furniture and equipment	173.1	268.1	441.2
Microcomputers hardware/software	343.7	374.2	717.9
Vehicles		16.0	16.0
Reimbursement for NYCS/ICC	302.7	228.6	531.3
Subtotal	**27326.5**	**32544.3**	**59870.8**
Reimbursement for central services b/	3799.7	4555.7	8355.4
Total	**31126.2**	**37100.0**	**68226.2**

a/ Provides for 241 posts, as per the attached staffing table.

b/ Reimbursement for the biennium provided for at 14 per cent of "net" expenditures.

OPS.WK4

II. ESTABLISHED POSTS/COMMON STAFF COSTS

4. The amounts of $26,929,300 for Established posts and $14,441,900 for Common staff costs, are to cover the estimated costs of staffing the 241 posts (91 Professional and 150 General Service).

5. The staffing table (table 2) reflects not only the reduction of six posts, but also the current levels assigned to the posts based on the reclassification exercise performed in late 1993. The reclassification results included the upgrading to D-1 of the only Operations Division Chief post that had remained at the P-5 level. The Executive Board is hereby requested to approve the revised staffing table.

III. GENERAL OPERATING EXPENSES AND OTHER BUDGETARY PROVISIONS

6. Budgetary provisions for the above, in the amount of $26,855,000, have been prepared based on a review of OPS administrative expenditures during the last biennium, with necessary adjustments for inflation and other factors.

7. For information purposes, the table below provides details of all the budgetary provisions and is followed by a brief narrative for each component.

Table 2. UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS): REVISED STAFFING TABLE

POST LEVEL	Budgetary	Extrabudgetary	Total (As approved by GC decision 93/95)	Revised total
Professional and above				
ASG	1		1	1
D-2	1		1	1
D-1	7	1	8	9
P-5	14	16	30	31
P-4	11	15	26	29
P-3	8	12	20	16
P-2/1	4	3	7	4
Subtotal	**46**	**47**	**93**	**91**
General Service				
Principal Level	24	26	50	49
Other Level	47	57	104	101
Subtotal	**71**	**83**	**154**	**150**
Total	**117**	**130**	**247**	**241**

REVSTAFF.WK4

IV. BUDGET NARRATIVE

Temporary assistance

8. The amount of $610,200 is for temporary assistance to replace staff on special leave, including maternity and extended sick leave, and for cases where additional help may be needed as a result of temporary increases in workload. These, and additional funds if necessary, will also cover the costs of individuals hired on special service agreements or other types of temporary contracts pending the formal recruitment of staff to fill newly established posts. Should the amounts provided be insufficient, funds from established posts will be redeployed to cover the cost of those individuals hired on a temporary basis pending recruitment of regular incumbents.

Appointments of Limited Duration (ALD)

9. The amount of $950,000 is being proposed to cover the costs of staff hired under this new type of contract.

Consultants

10. The amount of $930,000 is to cover the cost of technical support required for such tasks as the preparation of terms of reference for complex subcontracts; reviewing and evaluating bids and requests for proposal; conducting management and other internal studies and reporting thereon; writing special reports and guidelines; and training.

Overtime and night differential

11. The amount of $551,500 provides for the additional requirements of peak workloads.

Other staff travel

12. The amount of $1,593,200 is for travel of staff, primarily Division Chiefs and Project Management Officers to projects to: participate in tripartite meetings; conduct on-site project monitoring; provide training in administration, finance and other matters to project staff; trouble shoot; meet potential clients and donors/funding sources for Management Services Agreements, etc.

Contractual printing

13. The amount of $250,000 is to cover the costs of printing the UNOPS annual report, UNOPS brochures, the UNOPS Handbook, UNOPS Users' Guides, etc.

Translation

14. The amount of $95,500 is to translate the UNOPS guidelines, brochures, standard contracts, etc. into various official languages.

Systems development contracts

15. The amount of $2 million is the estimated amount which UNOPS requires for information systems in three main areas: (a) maintenance of current systems; (b) acquisition, design, development, implementation and maintenance of systems not covered by the Integrated Management Information System (IMIS) and for which requirements now exist; and (c) the costs to convert current data and systems to IMIS.

Subcontracts

16. The amount of $1,100,000 is to cover the cost of subcontracts for, inter alia, the maintenance of work stations, network user support, training on negotiating and concluding contracts, and for data entry.

Rental and maintenance of premises

17. The amount of $4,855,000 is to cover rental expenses for UNOPS headquarters ($4,600,000) and the UNOPS share of common premises in various UNDP country offices (approximately $285,000).

Utilities

18. The amount of $274,600 is to cover the cost of electricity, water and other utilities for the UNOPS premises.

Rental and maintenance of furniture, equipment and vehicle maintenance

19. The amount of $273,300 is to cover the cost of rental and maintenance of existing office equipment at headquarters, mainly large printers and photocopiers, and for costs of the use and maintenance of vehicles in country offices.

Communications

20. The amount of $1,948,000 is to cover the cost of telephone, fax, electronic mail, courier, postage and pouch services, etc.

Hospitality

21. The amount of $18,000 is to cover the cost of official functions and other hospitality expenses incurred at headquarters and in the field.

Miscellaneous services

22. The amount of $446,100 is requested to cover the cost mainly of archives and retrieval of accounting documents located in New Jersey.

Stationery and office supplies

23. The amount of $897,800 is requested to provide for office supplies, including reproduction supplies, paper and stationery, books and library supplies.

Office furniture and equipment

24. The amount of $441,200 is for the costs of constructing or altering work stations and purchasing desks and other office equipment for staff in New York and in the field.

Microcomputers hardware/software

25. The amount of $717,900 is to cover the standard costs of office automation software and upgrades, and hardware, as follows: routine upgrades of network hardware, replacement of obsolete equipment (20 per cent per year), and other equipment as needed for UNOPS work stations.

Vehicles

26. The amount of $16,000 is to cover the cost of one vehicle for a UNOPS outpost.

Reimbursement for NYCS/ICC

27. The budgetary provision of $531,300 is to pay for the utilization of UNDP mainframe computer usage, mainly for the UNDP General Ledger and Financial Reporting System (GLFRS), and the UNOPS Funds Control System.

UNITED NATIONS

DP

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.
GENERAL

DP/1994/62/Add.3/Corr.1
4 October 1994

ORIGINAL: ENGLISH

Third regular session 1994
October 1994, New York
Item 8 of the provisional agenda

OFFICE FOR PROJECT SERVICES

REPORT OF THE EXECUTIVE DIRECTOR OF THE OFFICE FOR PROJECT SERVICES ON WAYS OF ESTABLISHING THE OFFICE AS A SEPARATE AND IDENTIFIABLE ENTITY

Addendum

BREAKDOWN OF REVISED BUDGET ESTIMATES FOR THE OFFICE OF PROJECT SERVICES FOR THE BIENNIUM 1994-1995

Corrigendum

Page 2, table 1

Replace table 1 by the table appearing on the reverse of this sheet

Table 1. UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)
PROPOSED ADMINISTRATIVE BUDGET FOR THE BIENNIUM 1994-1995

Object of expenditures	Budgetary	Extrabudgetary	TOTAL
Established posts a)	12573.3	14356.0	26929.3
Temporary assistance	264.1	346.1	610.2
Appointments for activities of limited duration	387.2	562.8	950.0
Consultants	434.0	496.0	930.0
Overtime and night differential	286.7	264.8	551.5
Common staff costs a)	6603.6	7838.3	14441.9
Other staff travel	894.6	698.6	1593.2
Information contracts, including printing and binding	101.9	148.1	250.0
Translation	38.9	56.6	95.5
Systems development contracts	815.2	1184.8	2000.0
Subcontracts	448.4	651.6	1100.0
Rental and maintenance of premises	1915.5	2939.5	4855.0
Utilities	125.9	148.7	274.6
Rental and maintenance of furniture, equipment and vehicles including maintenance supplies	137.8	135.5	273.3
Communications	838.6	1109.4	1948.0
Hospitality	13.2	4.8	18.0
Miscellaneous services	192.7	253.4	446.1
Stationery and office supplies, including internal reproduction supplies	435.4	462.4	897.8
Office furniture and equipment	173.1	268.1	441.2
Microcomputers hardware/software	343.7	374.2	717.9
Vehicles		16.0	16.0
Reimbursement for NYCS/ICC	302.7	228.6	531.3
Subtotal	**27326.5**	**32544.3**	**59870.8**
Reimbursement for central services b)	3799.7	4555.7	8355.4
Total	**31126.2**	**37100.0**	**68226.2**

a) Provides for 241 posts, as per the attached staffing table.

b) Reimbursement for the biennium provided for at 14 per cent of "net" expenditures.